

WC 07-272 Return copy

NOWALSKY, BRONSTON & GOTHARD

A Professional Limited Liability Company

Attorneys at Law

Leon L. Nowalsky
Benjamin W. Bronston
Edward P. Gothard

3500 North Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002
Telephone: (504) 832-1984
Facsimile: (504) 831-0892

Monica Borne Haab
Philip R. Adams, Jr.

FCC/MELLON NOV 16 2007

November 9, 2007

**BY OVERNIGHT DELIVERY
AND ELECTRONIC FILING**

Federal Communications Commission
Wireline Competition Bureau
9300 E. Hampton Drive
Capitol Heights, MD 20743

FCC c/o Mellon Bank (Via U.S. Mail)
Wireline Competition Bureau - CPD- 214 Appls.
P.O. Box 358145
Pittsburgh, PA 15251-5145
ATTN: Wholesale Lockbox Shift Supervisor

RE: Combined application for consent to the transfer of control of a business which has Blanket Domestic Interstate 214 Authority - Transfer of NTS Communications, Inc., Transferor to Xfone, Inc., Transferee

Dear Sir or Madam:

Enclosed please find the following documents submitted on behalf of NTS Communications, Inc. and Xfone, Inc.

1. The original and four (4) copies of an Application for consent to the transfer of control of a business which has blanket domestic interstate 214 authority.
2. The original and four (4) copies of FCC Form 159.
3. Our AMEX number authorizing a charge in the amount of \$965.00 representing the filing fee for this Application.

Should you have any questions or require additional information, please do not hesitate to contact me.

I would appreciate if you would return a copy of this letter, date-stamped, in the envelope provided.

Sincerely,

Leon Nowalsky
Leon Nowalsky, *nb*

Enclosures

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of

NTS Communications, Inc., Transferor
And Xfone, Inc., Transferee

Application Pursuant to Section 214 of the
Communications Act of 1934 and
Section 63.24 of the Commission's Rules for
Consent to the Transfer/Assignment of
NTS Communications, Inc., Transferor
to
Xfone, Inc., Transferee

File No. ITC _____

and

Application Pursuant to Section 214 of the
Communications Act of 1934 and
Section 63.04 of the Commission's Rules for
Consent to the Transfer of
of
NTS Communications, Inc., Transferor
to
Xfone, Inc., Transferee

WC Docket No. _____

Attention: International Bureau and Wireline Competition Bureau

**COMBINED/JOINT INTERNATIONAL AND DOMESTIC
APPLICATION FOR
TRANSFER OF CONTROL**

Pursuant to section 214 of the Communications Act of 1934, as amended (the "Act"), and sections 63.04 and 63.24 of the Commission's rules, this Application seeks Commission approval to transfer control of NTS Communications, Inc. ("NTS") to Xfone, Inc. ("Xfone") (collectively referred to as "Applicants"). NTS holds authority to provide domestic and

international telecommunications services pursuant to section 214 of the Act.¹ Pursuant to a Stock Purchase Agreement executed between the parties, Xfone will acquire all of NTS' issued and outstanding stock (the "Acquisition"). Following consummation of the transaction, NTS will become a wholly-owned subsidiary of Xfone, Inc. While the authorizations will remain in NTS' name, the Acquisition will result in the transfer of control of NTS' 214 authorities to Xfone.

Xfone is public company and a provider of interstate, international and intrastate interexchange telecommunications services. The customers of NTS will benefit from this transaction through the increased resources and assets available to Xfone, which will help to both ensure continuity of service and enhance the ability of NTS's customers to receive a broader range of innovative products and services that are offered by Xfone. The Acquisition will therefore serve to enhance the overall capability of NTS to compete in the marketplace and to provide telecommunications services for a greater number of consumers at competitive rates. Grant of this Application clearly will promote competition in the interstate and international long distance telecommunications markets and will serve the public interest.

I. INFORMATION REQUIRED BY SECTION 63.24

This Application seeks authority to transfer control of NTS, which holds authority pursuant to section 214 of the Act to provide domestic interstate and international telecommunications service, to Xfone. Section 63.24(e)(2) of the Commission's rules requires

¹ NTS holds domestic and international authority pursuant to section 214 of the Act. Authority was granted in File No. ITC-214-19971024-00657 on January 2, 1998.

that an application for a substantial transfer of control of a carrier holding international section 214 authority include the following information, as described in section 63.18:

- (a) The name, address and contact number of the transferor is:

Barbara Baldwin, President
NTS Communications, Inc.
5307 W. Loop 289
Lubbock, Teas 79414
Telephone: (806) 797-0687
Fax: (806) 788-3393

The name, address and contact number of the transferee is:

Guy Nissenson, President, Chief Executive Officer and Director
Xfone, Inc.
2506 Lakeland Drive, Suite 100
Flowood, MS 39232
Telephone: (604) 983-3800
Fax: (604) 983-3801

The name, address and contact number of the holder of section 214 authorities is:

Barbara Baldwin, President
NTS Communications, Inc.
5307 W. Loop 289
Lubbock, Teas 79414
Telephone: (806) 797-0687
Fax: (806) 788-3393

- (b) NTS is a Texas corporation.
Xfone is a Nevada corporation
- (c) Correspondence concerning this Application should be addressed to:

Leon L. Nowalsky
Nowalsky, Bronston & Gothard
3500 N. Causeway Blvd., Suite 1442
Metairie, LA 70002
Phone: (504) 832-1984
Fax: (504) 831-0892
Email: lnowalsky@nbglaw.com

With copy to:

Daniel Wheeler
General Counsel
NTS Communications, Inc.
5307 West Loop 289
Lubbock, Texas 79414
Phone: (806)-797-0687
Fax: (806)-788-3393
E-mail: danw@ntscom.com

- d) NTS was granted authority in File No. ITC-214-19971024-00657.

Responses (e) through (g) are not applicable to this Application.

- (h) The following are the names, addresses, citizenship, and principal businesses of any person or entity that will directly or indirectly own at least ten percent of the equity of the applicants. There will be no interlocking directorates with any foreign carrier.

NTS Communications, Inc.

Address: 5307 W. Loop 289, Lubbock, Texas 79414

Citizenship: United States

Principal Business: Telecommunications

Percent Ownership: Telephone Electronics Corporation (TEC), a Mississippi corporation, is the only shareholder with 10% or greater ownership of NTS, owning 63.4725% of the shares of NTS. Address: 236 East Capitol Street, Jackson, MS 39201. The majority shareholder, Joseph D. Fail, owns 91.1% of the issued and outstanding stock of TEC. His address is 27 South 2nd Avenue, Bay Springs, MS 39422. He is a U.S. citizen.

Telephone Electronics Corporation owns 10% or greater equity or controlling interest in other telecommunications companies as set forth as follows:

Company Name: Bay Springs Communications, Inc.

Address: 236 East Capitol Street, Jackson MS 39201

Geographic Area Served: Mississippi

Percentage of Ownership: 100%

Company Name: Bay Springs Telephone Company, Inc.

Address: 2988 Highway 15, Bay Springs, MS 39422

Geographic Area Served: Mississippi

Percentage of Ownership: 100%

Company Name: CommuniGroup of Jackson, Inc.
Address: 700 South West Street, Jackson, MS 39201
Geographic Area Served: Mississippi, Louisiana, Texas, Arkansas,
Alabama, Tennessee, Florida and Georgia.
Percentage of Ownership: 100%

Company Name: Crockett Telephone Company, Inc.
Address: 563 Main Street, Friendship, TN 38034
Geographic Area Served: Tennessee
Percentage of Ownership: 100%

Company Name: National Telephone of Alabama, Inc.
Address: 955 Second Street, N.W., Cherokee, AL 35616
Geographic Area Served: Alabama
Percentage of Ownership: 100%

Company Name: Peoples Telephone Company
Address: 4587 West Main Street, Erin, TN 37061
Geographic Area Served: Alabama
Percentage of Ownership: 100%

Company Name: Roanoke Telephone Company, Inc.
Address: 950 Main Street, Roanoke, AL 36274
Geographic Area Served: Alabama
Percentage of Ownership: 100%

Company Name: West Tennessee Telephone Company, Inc.
Address: 224 East Main Street, Bradford, TN 38316
Geographic Area Served: Tennessee
Percentage of Ownership: 100%

Xfone, Inc.

Xfone, Inc., a Nevada corporation
Address: 5307 W. Loop 289, Lubbock, Texas 79414
Citizenship: United States
Principal Business: Telecommunications

Ownership percentages:

Abraham Keinan, Chairman of the Board
Address: 4 Wycombe Gardens, London NW11 8AL, United Kingdom
Citizenship: Israeli and British
Principal Business: Chairman of the Board of Xfone, Inc.
Percent Ownership: 29.31%

The above individual does not own 10% or more equity or controlling interest in any other telecommunications company.

Campbeltown Business Ltd.

Owned and controlled by Guy Nissenson (20%) and other members of the Nissenson family

Address: 8 Rue Arnold-Winkelried, P.O. Box 1385, 1211 Geneva 1, Switzerland

Citizenship: a private company incorporated in the British Virgin Island

Principal Business: Investment company

Percent Ownership: 10.44%

The above company does not own 10% or more equity or controlling interest in any other telecommunications company

There are no other individuals or companies which own more than 10% of the equity or controlling interest in the Applicants.

- (i) Applicants certify that they are not, and following the proposed transaction will not be, affiliated with any foreign carrier within the meaning of section 63.09(d) and (e).
- (j) The Applicants certify that they do not seek authority to provide service to any country described in paragraphs (1) through (4) of section 63.18(j).
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.
- (n) Applicants certify that they have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- (o) Applicants certify that no party to the Application is subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

- (p) This international section 214 Application qualifies for streamlined processing pursuant to section 63.12 because the applicants are not affiliated with any foreign carriers; are not affiliated with any dominant U.S. carriers whose international switched or private line services the applicant seeks authority to resell; and do not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of switched services over private lines. This Application therefore should be granted, pursuant to section 63.12(a), fourteen days after the date of public notice listing this Application as accepted for filing.

II. ADDITIONAL INFORMATION REQUIRED BY SECTION 63.04

This Application seeks Commission consent to transfer control of NTS, which holds authority to provide domestic and international telecommunications services pursuant to section 214 of the Act. Pursuant to section 63.04(b) of the Commission's rules, the parties submit the following information in support of this Application in response to items 6 through 12 of section 63.04(a):

6) As set forth above, this Application seeks Commission consent to transfer control of NTS to Xfone. As a result of the transfer, NTS will operate and provide service pursuant to the authority of NTS, the transfer of control of which is being sought through this Application.

7) [intentionally omitted]

8) This Application qualifies for streamlined processing under section 63.03(b)(2)(I) because the transferee will have a market share in the interstate interexchange market of less than 10 percent, the transferee will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the proposed transaction, and no party to this Application is dominant with respect to any service.

(9) The parties will file a slamming certification letter with the Commission, if necessary.

(10) Only standard streamlined processing of this domestic section 214 transfer of control application is sought pursuant to Section 63.03.

(11) No waiver requests are being filed in conjunction with the transaction.

(12) As discussed above, grant of this Application will strengthen NTS as the post-transaction company will become a stronger competitor in the marketplace for interstate and international telecommunications services. The customers of NTS will benefit from Xfone's

resources and assets, which will help ensure continuity of service and enhance the ability of NTS to offer a broader range of innovative products and services to customers. Grant of this Application will promote competition in the domestic interexchange and international telecommunications markets and will serve the public interest.

III. CONCLUSION

For the foregoing reasons, this Application respectfully requests that the Commission consent to the transfer of control of NTS to Xfone.

Respectfully submitted,



Leon L. Nowalsky *LN*
Nowalsky, Bronston & Gothard, APLLC
3500 N. Causeway Blvd. #1442
Metairie, Louisiana 70002
Counsel for NTS Communications, Inc. and
Xfone, Inc.

Daniel Wheeler
NTS Communications, Inc.
5307 West Loop 289
Lubbock, Texas 79414
General Counsel for NTS Communications,
Inc.